

SIERRA NEVADA REGION

WESTERN AREA POWER ADMINISTRATION



Non-Firm Power Formula Rate for the Washoe Project Stampede Division Rate Schedule

Rate Order No. WAPA-201
Customer Brochure

April 2022



Western Area Power Administration

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Materials Posted on Website

<https://www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2022-WAPA-201.aspx>



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I. Introduction

Background for Rate and Rate History

This brochure provides information on the proposed non-firm power formula rate for the Washoe Project Stampede Division, which is unchanged from the existing formula rate in Rate Schedule SNF-7 that expires on September 30, 2022. Western Area Power Administration Sierra Nevada Region's (WAPA-SN) proposed non-firm power formula rate under rate schedule WSH-1 will be effective on October 1, 2022, and will remain in effect through September 30, 2027, pending confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis or until superseded.

On April 16, 2009, FERC confirmed and approved Rate Schedule SNF-7 for the Washoe Project Stampede Division non-firm power formula rate, Rate Order No. WAPA-136. See 127 FERC ¶ 62,043. On September 5, 2013, FERC confirmed and approved a 5-year rate extension through September 30, 2017, Rate Order No. WAPA-160. See 144 FERC ¶ 62,213. On April 12, 2017, FERC confirmed and approved a 5-year rate extension through September 30, 2022, Rate Order No. WAPA-176. See 159 FERC ¶ 62,047.

Project Description

The Stampede Dam and Reservoir are located on the Little Truckee River in Sierra County, California, about 11 miles northeast of the town of Truckee. The Washoe Project was designed to improve the regulation of runoff from the Truckee and Carson River system and to provide supplemental irrigation water and drainage, as well as water for municipal, industrial, fishery use, flood protection, fish and wildlife benefits, and recreation.

The power generation is used principally to provide energy for two Federal fish hatcheries: Lahontan National Fish Hatchery and Marble Bluff Fish Hatchery. The Stampede Powerplant has two units with an hourly maximum operating capability of 3,650 kilowatts with an estimated annual generation of 11-million kilowatt hours annually.

When the Stampede Dam and Reservoir project was authorized, hydroelectric power development was included under Public Law 858 on August 1, 1956. During the period 1966-1970 when the Stampede Dam was built, power facilities were not constructed because the power function was not economically justified, and provisions were made to facilitate the addition of power facilities at a later date.



In July 1976, a preliminary reevaluation of a powerplant at Stampede was conducted and published in a special U.S Department of Interior, Bureau of Reclamation (Reclamation) report, *Adding Powerplants at Existing Federal Dams in California*. In the report, Reclamation recommended the construction of the Stampede powerplant. As a result, definitive plan studies were initiated in FY 1977, and construction of the powerplant was completed in 1987. A one-half mile 60-kilovolt transmission line, owned by Sierra Pacific Power Corporation (SPPC), interconnects the Stampede power facilities with SPPC's transmission system.

Under Public Law 101-618, Congress declared all Washoe Project costs non-reimbursable except the Stampede Powerplant. This was necessary because a 1982 court order required that Stampede be operated for the benefit of endangered or threatened fish at Pyramid Lake. The energy generated by the powerplant has a priority reservation for designated Washoe Project loads. All remaining energy generation is sold on a non-firm basis under the conditions outlined in WAPA-SN's contract with a third-party Contractor. Energy generated at Stampede Powerplant is dependent on the run of the river and is therefore considered non-firm.

Since the Washoe Project has no Federally owned transmission lines, WAPA-SN contracted with Truckee Donner Public Utility District (Truckee Donner) and the City of Fallon to accept Stampede generation and serve project use loads. Energy in excess of project use loads is integrated with the Central Valley Project (CVP) and marketed under the 2004 and 2025 Power Marketing Plans.

The Washoe narrative generally describes project and rate history, which can be found in the Statistical Appendix of WAPA's Annual Report, for the fiscal year 2021, located at www.wapa.gov/About/the-source/Pages/annual-reports.aspx

Truckee Donner Public Utility District and City of Fallon Contract, 07-SNR-01026

Truckee Donner and Fallon, two preference customers located within the WAPA-SN control area, approached WAPA-SN in June 2005 with a proposal to provide services similar to those received by WAPA-SN from SPPC under Contract 94-SAO-00010 (Contract 00010).

On April 1, 1994, WAPA-SN executed Contract 00010 with SPPC which provided WAPA-SN the mechanism necessary to provide power to FWS project use facilities at Lahontan National Fish Hatchery and the Marble Bluff Fish Facility. The contract also established the Stampede Energy Exchange Account (SEEA) which allowed WAPA-SN the option to market all energy, in excess of the energy required to provide service to

project use loads, outside of SPPC's control area. The contract had an annual renewal clause and was renewed for thirteen years due to its ability to deliver energy to project use loads and to provide flexible options to WAPA-SN for the disposition of any additional energy.

Contract 00010 indicated that the SEEA was credited for energy generated at Stampede using SPPC's non-time differentiated California Quarterly Short-Term Purchase Price Schedule for As-Available Purchases from Qualifying Facilities with Capacities of 100 kW or less rates at the time of receipt. Since 1999, the rate remained unaffected at 17.89 mills/kWh because of SPPC's unchanged tariff.

After over a year of discussions and reviews with WAPA-SN, Truckee Donner and Fallon entered into a contract with WAPA-SN that replaced Contract 94-SAO-00010. The effective date of Contract 07-SNR-01026 was August 1, 2007. Negotiations resulted in the establishment of a "market rate" methodology for the valuation of Stampede generation. The agreed-upon rate is 75 percent of the current and previous years' monthly running average of on- and off-peak Mid Columbia (Mid C) prices as determined by the Intercontinental Exchange (ICE). The SEEA rate consists of an on and off-peak calculation.

Fish & Wildlife Service Contract, 07-SNR-01037

On June 27, 1994, WAPA-SN executed Letter of Agreement (LOA) No. 94-SAO-00013 with Fish & Wildlife Service (FWS) which established arrangements for billing credits from WAPA-SN for FWS loads up to the value of energy banked into the SEEA under Contract 94-SAO-00010. This LOA was effective May 1, 1994, with options for annual renewal and renewed each year until May 2007.

Due to the termination of Contract 94-SAO-00010 and execution of Contract 07-SNR-01026, it was necessary to terminate LOA 94-SAO-00013 and replace it with LOA 07-SNR-01037. LOA 07-SNR-01037 became effective September 14, 2007, and provided comparable arrangements for billing credits from WAPA-SN for FWS loads up to the value of energy banked into the SEEA.

Stampede Energy Exchange Account

Energy generated at Stampede is credited into the SEEA using an agreed-upon methodology as stipulated in the applicable third-party contract. The methodology will set the SEEA rate which in turn will be multiplied by the corresponding Stampede generation to arrive at the value of Stampede Revenue per the non-firm power formula rate. The current third-party contract (Contract 07-SNR-01026) indicates that the value of Stampede energy shall be determined using seventy-five percent of the average of



the current and previous year month's Mid-C price index as determined by ICE for on-peak and off-peak periods. This average shall be calculated and updated monthly using the most recent published indices and translates into the SEEA rate.

The SEEA rate is used to calculate the value of energy (generation) placed into the SEEA and determines the benefit of Stampede power for project use loads. In the SEEA, the project use and station service power costs and administrative costs are reduced by the revenues from sales made at the SEEA rate.

In addition, under WAPA-SN's LOA with Reclamation, LOA 07-SNR-01036, WAPA-SN applies the ratio of projected project use costs to the revenue recorded in the SEEA to determine the non-reimbursable percentage. This non-reimbursable percentage is then applied to the appropriate power-related costs to determine the reimbursable costs for repayment and financial purposes. Under WAPA Rate Order No. 201, any remaining reimbursable costs are then transferred to the CVP Power Revenue Requirement (PRR). CVP customers that participate in the Renewable Energy Credit (REC) program receive a share of the Stampede RECs annually based on the annual percentage of revenue share they transfer to the Washoe Project.

The SEEA can be debited for 1) project use load power costs; 2) contractor's monthly administrative charge; 3) station service costs, and 4) an amount equal to the total dollar amount of a transaction resulting from an energy delivery to WAPA-SN. Debit entries shall not exceed the credit balance. The SEEA provides a method for providing project use benefits to FWS, as contemplated by the Washoe Act.

Historical information on the SEEA is available upon request.



II. Power Repayment Study

Summary

WAPA's power rates are based on the costs associated with producing and delivering power to WAPA's customers. The historical costs and revenues from accounting records and the future projected costs are scheduled year-by-year in a Power Repayment Study (PRS). The PRS determines the level of future revenues required to repay all of the costs within the allowed time periods and within legislative requirements. The PRS does not set the actual rate design; it merely determines the amount to be repaid.

A PRS is prepared each year to test the adequacy of the existing rates. The annual update involves actual revenues and expenses for the previous year, plus new projections of revenues and expenses for the remainder of the repayment period. If the PRS demonstrates that repayment requirements will not be recovered or will be exceeded under the existing rates, WAPA prepares and recommends a plan to meet those repayment requirements. This plan is supported by a revised PRS and may include increased power rates, decreased costs, modified contracts, or other practicable means.

History

The PRS began in 1987 when generation first began at the Stampede Power plant. Repayment requirements are dictated by the authorizing act for power facilities, other applicable acts, and DOE policies, chiefly RA6120.

Cost Allocation

Operations and Maintenance (O&M) and investment costs associated with the Stampede Powerplant are allocated by Reclamation. The existing cost allocation is used for this rate adjustment.

The standard Separable Costs-Remaining Benefits method of cost allocation is not used for Stampede. WAPA-SN and Reclamation agreed to adopt a method that is referred to as Planning Instruction No. 81-02 (71 06), documented in a January 22, 1981, memorandum from the Commissioner of Reclamation, Subject: Allocating Joint Costs to Small Add-on Hydropower Plants.

Since the execution of Contract 94-SAO-00010 with Sierra Pacific Power Corporation in FY 1994, which provided the benefit of Stampede power for project use loads, a portion of the costs assigned to power are non-reimbursable and no longer recovered through the Stampede power rates. Generally, the amount of non-reimbursable O&M



expense, interest expense, and capital costs are determined by a ratio of the annual project use power costs debited from the SEEA to the annual revenues credited to the SEEA. This calculation is performed annually resulting in a different percentage of reimbursable costs each year. The table below provides information on the reimbursable percentage over the past seven years.

Table 1 Historical Reimbursable Percentages for Washoe Project PRS

Fiscal Year (FY)	Reimbursable Portion
FY 2016	0.00%
FY 2017	0.00%
FY 2018	14.76%
FY 2019	25.14%
FY 2020	59.09%
FY 2021	9.42%
FY 2022*	0.00%

*Projected information based on preliminary financial data.

All project use costs are reimbursable and under the PRS are considered a separate expense.

Revenue Requirements

In general, revenue must be sufficient to recover the reimbursable portion of the following expenses:

1. Annual O&M, project use, and interest on unpaid investment (annual expenses)
2. After payment of annual expenses, deferred expenses (deficits) must be repaid within the allowable repayment period, starting with the highest interest-bearing deferred expense
3. After payment of annual expenses and deferred expenses, the Federal investment allocated or assigned to the power function must be repaid within the allowable repayment period. Once again, the highest interest-bearing investment is repaid first. These Federal investments include:
 - a. Hydroelectric generation facilities
 - b. Transmission facilities
 - c. Additions
 - d. Replacements



Cost Projections

RA6120.2 specifies that expenses may be adjusted for inflation and other anticipated conditions during the cost evaluation period, which is normally the first five future years of the PRS period. By applying this escalation, the expenses more accurately reflect the required revenues during the first five future years that are involved in this rate adjustment period. Project use costs are considered as a separate annual expense in the PRS and from FY 1998 to FY 2020 have ranged from a low of \$97,853 to a high of \$253,563.

Interest Rates

The annual interest expense is determined by multiplying the various unpaid investments by the appropriate interest rate. Table 2 shows interest rates for FY 1987 to FY 2022.

Table 2 Applicable Interest Rates

Fiscal Year	Interest Rate	Fiscal Year	Interest Rate
1987	8.875	2007	4.875
1988	8.500	2008	4.875
1989	9.250	2009	4.500
1990	8.875	2010	4.000
1991	8.750	2011	4.125
1992	8.500	2012	4.000
1993	7.875	2013	3.000
1994	7.125	2014	3.000
1995	7.250	2015	3.375
1996	7.625	2016	3.000
1997	6.875	2017	3.000
1998	6.000	2018	3.000
1999	5.750	2019	3.000
2000	5.750	2020	3.000
2001	6.250	2021	3.000
2002	5.500	2022	3.000
2003	4.780		
2004	5.125		
2005	4.875		
2006	4.875		

For Stampede Powerplant, a 2.591 percent interest rate applies to power investment



authorized for the construction of the project. The interest rate to be applied to new investments, additions, and replacements is determined by the interest rate criteria of RA6120.2, effective October 1, 1983. For Stampede, these interest rates range from 4.780 to 9.250 percent. The interest rate criterion in RA6120.2 makes the applicable interest rate equal to the average yield during the preceding fiscal year on interest-bearing securities of the United States which, at the time the computation is made, have terms of 15 years or more remaining to maturity. The applicable rate will be for the year in which construction of the facilities is initiated.

Deferred Expenses

Deferring payment of annual and interest expenses is allowed under RA6120.2 for short periods of time. For repayment purposes, when a deferral or deficit occurs, it is assumed that a loan is taken out for the amount of the deficit, whether it is for O&M or capital. Then the initial loan, plus interest, must be repaid from future years' revenues. The applicable interest rate for deficits is also determined from the rate criteria of RA6120.2. The Washoe Project final PRS completed for FY 2021 had no unpaid O&M or capital deficits.

Repayment Periods

Investments and additions allocated to power must be repaid with interest within 50 years after the related facility is placed in service. Replacements must be repaid within the estimated service life of each piece of equipment, or 50 years, whichever is shorter. Although repayment of deferred expenses is not specifically addressed in RA6120.20 nor in authorizing legislation, it is WAPA's policy to pay off deficits within ten years.



II. Formula Rate Schedule

Non-Firm Power Formula Rate, WSH-1

The provisional formula rate for Stampede's non-firm power is designed to recover an annual revenue requirement that includes investment repayment, interest, purchase power, reimbursable operation and maintenance expenses, and other expense.

Formula Rate for Stampede Power

Stampede Annual Transferred PRR = Stampede Annual PRR – Stampede Revenue

Where:

Stampede Annual Transferred

Power Revenue Requirement (PRR) = Stampede Annual PRR as identified as a cost transferred to the CVP

Stampede Annual PRR =

The total PRR for Stampede required to repay all annual costs, including interest, and the investment within the allowable period

Stampede Revenue =

Revenue from applying the SEEA Rate to project generation



Appendix A - Non-Firm Power Formula Rate Schedule WSH-1

Rate Schedule WSH-1
(Supersedes Schedule SNF-7)

UNITED STATES DEPARTMENT OF ENERGY WESTERN AREA POWER ADMINISTRATION

SIERRA NEVADA REGION Washoe Project, Stampede Division

NON-FIRM POWER FORMULA RATE

Effective:

The first day of the first full billing period beginning on or after October 1, 2022, through September 30, 2027, or until superseded by another rate schedule, whichever occurs earlier.

Available:

Within the marketing area served by the Sierra Nevada Region.

Applicable:

To preference customers under the 2004 Power Marketing Plan, the 2025 Power Marketing Plan, and the applicable third party(ies) who are under contract (Contractor) with the Western Area Power Administration (WAPA).

Character and Conditions of Service:

Alternating current, 60 hertz, three-phase, delivered and metered at the voltages and points established by contract.



Non-Firm Power Formula Rate:

To serve project use loads and effectively market the energy from Stampede, WAPA has contracted with a third-party Contractor that provides for a Stampede Energy Exchange Account (SEEA). The SEEA is an annual energy exchange account for Stampede energy. In the SEEA, the revenues from sales (generation revenues) made at the SEEA Rate are reduced by the project use and station service power costs and SEEA administrative costs. WAPA applies the ratio of project use costs to the generation revenue recorded in the SEEA to determine a non-reimbursable percentage. One hundred percent minus this non-reimbursable percentage establishes a reimbursable percentage. This reimbursable percentage is then applied to the appropriate power-related costs to determine the reimbursable costs for repayment. The reimbursable costs are then netted against generation revenues made at the SEEA Rate. As stipulated under the 2004 Power Marketing Plan and 2025 Power Marketing Plan, any remaining reimbursable costs, to include interest and annual capital costs, are then transferred to the Central Valley Project for incorporation into the CVP Power Revenue Requirement.

The formula rate for Stampede power is:

$$\text{Stampede Annual Transferred PRR} = \text{Stampede Annual PRR} - \text{Stampede Revenue}$$

Where:

Stampede Annual Transferred

Power Revenue Requirement (PRR) = Stampede Annual PRR as identified as a cost



transferred to the CVP

Stampede Annual PRR =

The total PRR for Stampede required to repay all annual costs, including interest, and the investment within the allowable period

Stampede Revenue =

Revenue from applying the SEEA Rate to project generation

Billing:

Billing for the SEEA Rate will be as specified in the service agreement.

Adjustment for Losses:

Losses will be accounted for under this rate schedule as stated in the service agreement.



Appendix B – Rate Adjustment Procedures

WAPA’s rate adjustment procedures are governed by the “Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions” published in the Federal Register at 10 CFR Part 903.2(e). These procedures allow interested parties to participate in the development of power rates.

- I. Notice of Proposed Rate and Consultation and Comment Period: Initially, a notice of the Proposed Rate and official time for public participation must be published in the Federal Register. Washoe’s proposed non-firm power formula rate notice establishes a consultation and comment period. The period begins on the publication date of the Federal Register notice, which was April 5, 2022, and closes 60 days later June 6, 2022. During this period, interested parties may consult with and obtain information from WAPA’s representatives. They may also examine data used in the power repayment studies and suggest changes. Specific details for providing comments are included in the Federal Register notice.
 - A. Public Information Forum: WAPA’s representatives present the Proposed Rate changes and answer questions. Those questions not answered at the public information forum receive written responses at least 15 days before the end of the consultation and comment period.
 - B. Public Comment Forum: This forum provides a formal opportunity for interested parties to submit either written or oral comments to be shared with other attendees and WAPA representatives. Usually, WAPA does not respond to comments at this forum. However, comments are considered in developing the final rate adjustment, under 10 CFR 903.15 and 903.16.
 - C. Written Comments: Interested parties may submit written comments and inquiries to WAPA during the consultation and comment period.
 - D. Revision of Proposed Rate: After the close of the consultation and comment period, WAPA will review and consider comments. If appropriate, the Proposed Rate will be revised. If the Administrator determines that further public comment should be invited or is necessary, interested parties will be given at least 30 days to submit additional comments concerning the Proposed Rate.
 - E. Preliminary Decision on Interim Rate: Following the end of the consultation and comment period, the Administrator will develop provisional rates. The Deputy



Secretary of Energy for the Department of Energy (DOE) has the authority to confirm, approve, and place this rate into effect on an interim basis. The decision, together with an explanation of the principal factors leading to the decision, will be published in the Federal Register.

- F. Final Approval of Interim Rate: The Deputy Secretary will submit information concerning the interim rate to the Federal Energy Regulatory Commission (FERC) and request final approval. The response of FERC will be to:
1. give final confirmation and approval to the interim rate,
 2. disapprove the interim rate, or
 3. remand the matter to WAPA for further study.

The interim rate does not become final until it is approved by FERC.



Appendix C – Proposed Public Process Rate Adjustment Schedule

Public Process

Target Date	Milestones
Feb 23, 2022	Informal Customer Meeting
Apr 5, 2022	Federal Register Notice Published (60-day comment period begins)
Apr 14, 2022	Public Information Forum & Public Comment Forum
Jun 6, 2022	60-Day Comment Period Ends
Sep 1, 2022	FRN Published with Final Formula Rates
Oct 1, 2022	New Formula Rate in Effect
TBD	FERC's Final Approval of the Formula Rates



Appendix D – Proposed Rate Adjustment Federal Register Notice

AGENCY:

Western Area Power Administration, DOE.

ACTION:

Notice of proposed non-firm power formula rate.

SUMMARY:

The Sierra Nevada Region of the Western Area Power Administration (WAPA) proposes a minor rate adjustment for the non-firm power formula rate for the Washoe Project, Stampede Division. The proposed rate will go into effect on October 1, 2022, and will remain in effect through September 30, 2027. The proposed rate is unchanged from the existing Washoe Project formula rate in Rate Schedule SNF-7, which expires on September 30, 2022.

DATES:

A consultation and comment period will begin April 5, 2022 and end June 6, 2022. Sierra Nevada Region will present a detailed explanation of the proposed non-firm power formula rate and other modifications at a public information forum on the following date and time:

1. Friday, April 22, 2022, from 9 a.m. PDT to no later than 12 p.m. PDT.

Sierra Nevada Region will accept oral and written comments at a public comment forum on the following date and time:

1. Friday, April 22, 2022, starting at 1 p.m. PDT, to remain open until all comments are acknowledged, or no later than 4 p.m. PDT.

Sierra Nevada Region will conduct both the public information forum and public comment forum via WebEx. Instructions for participating in the forums via WebEx will be posted on Sierra Nevada Region's website at least 14 days before the public



information and comment forums at <https://www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2022-WAPA-201.aspx>.

The Sierra Nevada Region will accept written comments at any time during the consultation and comment period.

ADDRESSES:

Written comments and requests to be informed of Federal Energy Regulatory Commission (FERC) actions concerning the proposed non-firm power formula rate submitted by WAPA to FERC for approval should be sent to: Ms. Sonja Anderson, Regional Manager, Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, California 95630, or email: SNR-RateCase@wapa.gov. WAPA will post information about the proposed non-firm power formula rate and written comments received to its website at: <https://www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2022-WAPA-201.aspx>.

FOR FURTHER INFORMATION CONTACT:

Ms. Autumn Wolfe, Rates Manager, Sierra Nevada Region, Western Area Power Administration, (916) 353-4686 or email: SNR-RateCase@wapa.gov.

SUPPLEMENTARY INFORMATION:

On April 16, 2009, FERC approved and confirmed the Sierra Nevada Region Washoe Project, Stampede Division's non-firm power formula rate, Rate Schedule SNF-7, under Rate Order No. WAPA-136, on a final basis through July 31, 2013.^[1] FERC subsequently approved two consecutive 5-year rate extensions in Docket Nos. EF13-5-000 and EF17-1-000, extending the rate through September 30, 2022.^[2]

The existing non-firm power formula rate provides sufficient revenue to recover annual costs within the cost recovery criteria set forth in Department of Energy (DOE) Order RA 6120.2. The proposed rate is unchanged from the existing Washoe Project formula rate in Rate Schedule SNF-7, which expires on September 30, 2022. WAPA intends the proposed non-firm power formula rate to go into effect on October 1, 2022. The proposed non-firm power formula rate would remain in effect until September 30, 2027, or until WAPA changes the non-firm power formula rate through another public rate process pursuant to [10 CFR part 903](#), whichever occurs first.

The Stampede Powerplant has two units with a maximum hourly operating capability of 3,650 kilowatts (kW) and an estimated annual generation of 11 million kilowatt-hours

(kWh). Since the Stampede Powerplant has an installed capacity of less than 20,000 kW and generates less than 100 million kWh annually for sale, the proposed rate constitutes a minor rate adjustment under the applicable regulations.^[3]

History of the Washoe Project, Stampede Division

Stampede Dam and Reservoir are located on the Little Truckee River in Sierra County, California, about 11 miles northeast of the town of Truckee. The Washoe Project was designed to improve the regulation of runoff from the Truckee and Carson River system and to provide supplemental irrigation water and drainage, as well as water for municipal, industrial, fishery use, flood protection, fish and wildlife benefits and recreation. The power generation is used principally to provide energy for two Federal fish hatcheries: Lahontan National Fish Hatchery and Marble Bluff Fish Hatchery.

When the Stampede Dam and Reservoir project was first authorized, under Public Law 84-858, on August 1, 1956, hydroelectric power development was included. During the period 1966-1970, when Stampede Dam was built, power facilities were not constructed because the power function was not economically justified. Provisions were made to facilitate the addition of power facilities at a later date.

In July 1976, a preliminary reevaluation of a powerplant at Stampede was conducted and published in a special U.S. Department of Interior, Bureau of Reclamation (Reclamation) report, *Adding Powerplants at Existing Federal Dams in California*. In the report, Reclamation recommended construction of a Stampede Powerplant. As a result, definitive plan studies were initiated in Fiscal Year 1977, and construction of the powerplant was completed in 1987. A one-half-mile, 60-kilovolt transmission line, owned by Sierra Pacific Power company, interconnects the Stampede power facilities with WAPA's transmission system.

Under section 205(c) of the Fallon Paiute Shoshone Indian Tribes Water Rights Settlement Act of 1990, Congress declared all Washoe Project costs non-reimbursable except the Stampede Powerplant.^[4] This was necessary because a 1982 court order requires that Stampede be operated for the benefit of endangered or threatened fish at Pyramid Lake.^[5] The energy generated by the powerplant has a priority reservation for designated Washoe Project loads. All remaining energy generation is sold on a non-firm basis under the conditions outlined in Sierra Nevada Region's contract with a third-party contractor. Energy generated at Stampede Powerplant is dependent on the run of the river and is therefore considered non-firm.

Since the Washoe Project has no Federally owned transmission lines, Sierra Nevada Region contracted with Truckee Donner Public Utility District and the City of Fallon (TDF)



to accept Stampede generation and serve project use loads. Energy in excess of project use loads is integrated with the Central Valley Project (CVP) and marketed under the 2004 and 2025 Power Marketing Plans. Under the proposed Rate Schedule WSH-1, each year any remaining reimbursable expenses that exceed the revenue collected under the TDF contract are transferred to CVP and incorporated into the CVP power revenue requirement (PRR). CVP customers that participate in the Renewable Energy Credit (REC) program receive a share of the Stampede RECs annually based on the annual percentage of revenue share they transfer to the Washoe Project.

Stampede Non-Firm Power Formula Rate

There are no changes from the existing formula rate to the proposed formula rate. The proposed formula rate for Stampede's non-firm power is designed to recover an annual revenue requirement that includes investment repayment, interest, purchase power, reimbursable operation and maintenance expenses, and other expenses. The proposed formula rate for Stampede power is:

Stampede Annual Transferred PRR = Stampede Annual PRR–Stampede Revenue

Where:

Stampede Annual Transferred PRR = Stampede Annual PRR as identified as a cost transferred to the CVP.

Stampede Annual PRR = the total PRR for Stampede required to repay all annual costs, including interest, and the investment within the allowable period.

Stampede Revenue = Revenue from applying the Stampede Energy Exchange Account (SEEA) rate to project generation.

The SEEA is an annual energy exchange account for Stampede energy. Under the contract, TDF accepts delivery of all energy generated from Stampede and integrates this generation into its resource portfolio. The monthly calculation of revenue from Stampede energy received by TDF is credited into the SEEA at the SEEA rate. WAPA can use the SEEA to benefit project use facilities and market energy from Stampede to CVP preference entities.

In the SEEA, the revenues from sales (generation revenues) made at the SEEA rate are reduced by the project use, station service power costs, and SEEA administrative costs. WAPA applies the ratio of project use cost to the generation revenue recorded in the SEEA to determine a non-reimbursable percentage. One hundred percent minus the

non-reimbursable percentage establishes a reimbursable percentage. This reimbursable percentage is then applied to the appropriate power-related costs to determine the reimbursable costs for repayment. The reimbursable costs are then netted against generation revenues made at the SEEA rate.

Legal Authority

Existing DOE procedures for public participation in power and transmission rate adjustments ([10 CFR part 903](#)) were published on September 18, 1985, and February 21, 2019.^[6] The proposed action constitutes a minor rate adjustment, as defined by [10 CFR 903.2\(e\)\(2\)](#). In accordance with [10 CFR 903.15\(a\)](#) and [10 CFR 903.16\(a\)](#), Sierra Nevada Region will hold a public information and public comment forum for this minor rate adjustment. Sierra Nevada Region will review and consider all timely public comments at the conclusion of the consultation and comment period and make amendments or adjustments to the proposal as appropriate. Proposed rates will then be approved on an interim basis.

WAPA is establishing the non-firm power formula rate for Washoe Project, Stampede Division in accordance with section 302 of the DOE Organization Act ([42 U.S.C. 7152](#)).^[7]

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) The authority to develop power and transmission rates to the WAPA Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, or to remand or disapprove such rates, to FERC. By Delegation Order No. S1-DEL-S4-2021, effective February 25, 2021, the Acting Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Science (and Energy). By Redelelegation Order No. S4-DEL-OE1-2021-2, also effective December 8, 2021, the Under Secretary for Science (and Energy) redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity. By Redelelegation Order No. 00-002.10-05, effective July 8, 2020, the Assistant Secretary for Electricity further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This redelegation order, despite predating the December 2021 delegations, remains valid.

Availability of Information

All brochures, studies, comments, letters, memorandums, or other documents that Sierra Nevada Region initiates or uses to develop the proposed non-firm power formula



rate are available for inspection and copying at the Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, California 95630. Many of these documents and supporting information are also available on WAPA's website at <https://www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2022-WAPA-201.aspx>.

Ratemaking Procedure Requirements

Environmental Compliance

WAPA is in the process of determining whether an environmental assessment or an environmental impact statement should be prepared or if this action can be categorically excluded from those requirements.^[8]

Determination Under Executive Order 12866

WAPA has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Signing Authority

This document of the Department of Energy was signed on March 22, 2022, by Tracey A. LeBeau, Administrator, Western Area Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Signed in Washington, DC, on March 31, 2022.

Treena V. Garrett,

Federal Register Liaison Officer, U.S. Department of Energy.

Footnotes



1. *U.S. Dep't of Energy—W. Area Power Admin. (Washoe Project, Stampede Division)*, 127 FERC ¶ 62,043 (2009). Rate Order No. WAPA-136, issued June 14, 2008, had placed the rate into effect on an interim basis effective August 1, 2008.

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2. 144 FERC ¶ 62,213 (2013) and 159 FERC ¶ 62,047 (2017).

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3. See [10 CFR 903.2\(e\)](#).

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4. See Public Law 101-618, 104 Stat. 3289, 3307 (1990).

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5. See *Carson-Truckee Water Conservancy Dist. v. Watt*, 549 F. Supp. 704, 710 (D. Nev. 1982), *aff'd in part and vacated in part sub nom. Carson-Truckee Water Conservancy Dist. v. Clark*, 741 F.2d 257, 260 (9th Cir. 1984).

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6. [50 FR 37835](#) (Sept. 18, 1985) and [84 FR 5347](#) (Feb. 21, 2019).

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7. This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (Reclamation) under the Reclamation Act of 1902 (Ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 ([43 U.S.C. 485h\(c\)](#)); and other acts that specifically apply to the project involved.

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8. In compliance with the National Environmental Policy Act (NEPA) of 1969, as amended, [42 U.S.C. 4321-4347](#); the Council on Environmental Quality Regulations for implementing NEPA ([40 CFR parts 1500-1508](#)); and DOE NEPA Implementing Procedures and Guidelines ([10 CFR part 1021](#)).

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